Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Hearing on "U.S. Energy Abundance: Exports and the Changing Global Energy Landscape"
May 7, 2013

(As Prepared for Delivery)

America's growing energy production is a real game changer, and today's hearing, entitled "U.S. Energy Abundance: Exports and the Changing Energy Landscape," explores the geopolitical benefits of the U.S. becoming a world leader in energy production and exports.

As we have discussed in previous hearings, America's energy abundance is creating employment opportunities and growth at a time when little else in the economy is going as well - and that alone is enough reason to support domestic energy production. But while this energy abundance is a source of jobs at home, it can also be a force for good around the world – and it is this potential that we will address today.

Until a few years ago, most of us assumed that the U.S. was well past its peak in terms of domestic energy production and that we would become increasingly dependent on imports, particularly oil imports from OPEC nations. Many feared the same thing was happening with natural gas, and some even worried about an emerging OPEC-like natural gas cartel dominated by Russia and Iran. This committee held many hearings discussing the grave geopolitical consequences of global energy markets dominated by nations that do not share our values and who are not shy about using energy exports to exert leverage over others.

But now the tables are turning, thanks to American innovations in hydraulic fracturing and directional drilling that is expanding the supply of domestic oil and natural gas. Instead of being beholden to energy exporting nations, we are fast becoming one ourselves.

Perhaps nowhere is the reversal more stark than with natural gas. Debates about natural gas used to center around whether to permit facilities to import supplies of liquefied natural gas from abroad to help make up for dwindling domestic production. But now, those would-be import terminals are being re-proposed as export terminals. The reason for this reversal is that domestic natural gas production is now rising so fast there is more than enough to meet domestic demand affordably and export the surplus to nations that need it such as Japan and Great Britain. By taking advantage of these export opportunities, we can help our own economy and at the same time strengthen our ties with key allies.

I might add that the benefits of energy exports also apply to coal, and I would like to draw your attention to a May 1st Wall Street Journal article that chronicles how U.S. coal exports to Eastern Europe are helping to displace Russian natural gas and neutralize Russian influence. Countries like Bulgaria and Poland that used to be under Russia's thumb are now gaining a measure of autonomy thanks in part to American coal. This kind of BTU diplomacy can be repeated throughout the globe, allowing us to strengthen our working relationship with many countries while reducing the influence of troublesome regimes.

Of course, none of this can happen if we shut the door on domestic energy production. For this reason, we need to address the fact that the Obama administration continues to keep most federal lands off-limits to energy leasing and that regulatory efforts may be underway to crack down on hydraulic fracturing. The president likes to say he is for all-of-the-above, but Congress needs to hold him to that.

In addition, we need to allow the pipelines, port facilities, and other infrastructure investments necessary to make full use of our energy abundance. The Obama administration's four-year delay in making a decision on the Keystone XL pipeline project is a warning sign that the infrastructure approval process is badly broken and needs to be fixed.

The benefits of being an energy-exporting nation could also be derailed if we place unnecessary restrictions on these exports. For example, some argue that exports of natural gas will create domestic shortages and serious price spikes in the U.S. But, with resource assessments continuing to be revised upward and studies from the Department of Energy and the Small Business & Entrepreneurship Council touting the net economic benefits that are strongly positive, these fears are becoming more and more unfounded. The real risk is if the U.S. does not take advantage of energy export opportunities. Failure to do so would be a lost opportunity, both economically and geopolitically.

Increased production and trade in American energy benefits both our economy at home and our standing around the world. I look forward to our discussion on how to move forward.

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